

Headquarters Military Traffic Management Command

News Release

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FOR IMMEDIATE RELEASE

Third-party logistics:

MTMC begins pilot program in three Southeastern states

A Houston company will operate a third-party logistics pilot to move military freight. Eagle Global Logistics has been awarded a \$33 million contract to handle selected military freight in three Southeastern states.

The Military Traffic Management Command awarded the contract to Eagle Global Logistics, of Houston, to conduct.

"This is a new day for Department of Defense Transportation," said Frank Galluzzo, co-director.

Within 90 days, Eagle Global Logistics will begin managing most military freight shipments outbound from military installations in Alabama, Florida and Georgia.

The contract period runs from July 1 – June 30, 2002, with two one-year renewable terms.

Currently, the Department of Defense moves its freight on a global basis via transportation offices at different installations.

MTMC's request for a proposal drew interest from 111 firms. Twelve firms made contract bids.

"The award was made on a best value basis – considering price and trade off of quality of services," said Galluzzo.

"It was extremely competitive. All the companies that bid were world-class companies. These were good, solid bids."

The pilot is an innovative approach to military freight shipments, said Marian Unterman, of the Defense Logistics Agency, co-director.

"This is a unique opportunity to get everyone participating in a worthwhile cause," said Unterman.

Eagle has 400 offices worldwide – including 90 in the United States.

“Eagle is very enthused about winning this award and working with the Department of Defense on this prototype,” said Mike Reusche, of the firm’s Washington office.

“We see it as a significant change in the way the Department of Defense does business and welcome that change.”

Eagle is a full-service logistics provider, said Reusche.

“We started as an air freight company and over the years have branched into surface freight. We provide a full spectrum of logistics’ functions worldwide.”

The company specializes in in-transit visibility, what it refers to as “the glass pipeline,” for its customers, said Reusche.

“We are non-asset based,” said Reusche, “but operate border-to-border and coast-to-coast, in both surface and air networks, to serve our customers.”

Last year the firm had \$1.7 billion in revenue.

The Defense Logistics Agency is one of the pilot’s biggest customers with an estimated 60 percent of the freight to be moved. The agency has four depots in the test region: Albany, Ga.; Jacksonville, Fla.; Warner Robins Air Force Base, Ga.; and Anniston, Ala.

The test region includes 28 military transportation offices and depots in those three states. The offices handle an estimated 50,000 shipments annually.

In the commercial sector, the use of third-party logistics providers is on the increase, said Galluzzo.

"With emphasis on customer service at the lowest overall cost, it was determined to test the use of a third-party logistics provider for the movement of domestic freight shipments," said Galluzzo.

The 28 offices include: Army, 7; Navy, 8; Air Force, 4; Marine Corps, 1; Defense Logistics Agency, 7; and MTMC, 1.

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